STANDARD SINGLE FAMILY DWELLING LEASE
(Montgomery County, Maryland)

THIS LEASE, made this First day of March, 1989 between Guss William Varfis (as Agent for) Landlord (hereinafter referred to as "Landlord" or "Landlord/Agent") and John V. O'Neill and Jack Strong Tenant (hereinafter referred to as "Tenant").

WITNESSETH, that the Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord, premises known as 1500 Overlook Drive, Hillendale, Maryland, Montgomery County, Maryland, for the term of ~~Two Years~~ beginning on the First day of April, 19 89 and ending on the 31th day of March, 19 91 at a total rent of Forty five thousand six hundred and no/100's ---- Dollars ($ 45,600.00), payable in equal monthly installments of Nineteen hundred and no/100's ---------- Dollars ($ 1,900.00) in advance on the first day of each and every month of said term. If this Lease commences on a day other than the first of the month, the amount of rent to be paid for the balance of said first month shall be apportioned pro-rata; thereafter rent shall be paid on the first day of the month as aforesaid. Tenant covenants and agrees to pay said rent as set forth herein. The Tenant will pay said rent at the time and place or places as specified, without diminution, deductions or demand and said obligation to pay rent shall be independent of any other clause herein. Failure to pay said rent at the time specified will constitute default and the Landlord may avail himself of any remedy afforded him under the terms of this Lease and/or applicable law. All sums of money or other charges, including payments for damages and/or repairs, required to be paid by Tenant to Landlord/Agent or to any other person under the terms of this Lease, whether or not the same be designated "rent" or "additional rent," shall be deemed rent and shall be collectible as such. Landlord/Agent shall furnish to Tenant a receipt for all cash or money orders paid by Tenant to Landlord/Agent for rent, security deposit or otherwise.

PRO RATA RENTAL PAYMENTS

1. It is additionally understood and agreed that Tenant is to commence occupancy of the premises on the N/A day of _____, 19____. Tenant is to pay the sum of _____ Dollars ($_____) on _____ day of _____, 19____ as "pro-rata" rent for the period _____ day of _____, 19____ through _____ day of _____, 19____.

SERVICE CHARGES

2. Landlord/Agent has the right to require that all rental payments be made by money order, cashier's check and/or certified check. Tenant also agrees that in the event Tenant shall fail to pay any installment of rent within five (5) days beyond the date on which it is due and payable, Tenant shall pay Landlord, in addition to the rent, a late charge in the amount of five percent (5%) of the rent due. Such payment shall be payable as additional rent together with the rent then overdue and in arrears, and acceptance of such payment is not a waiver of the requirement that rent is due on the first day of the month. Nothing herein contained, however, shall constitute a waiver or limitation of Landlord's right to institute legal proceedings for rent, damages and/or repossession of the leased premises for non-payment of any installment of rent when and as the same becomes due and payable. A service charge of Twenty Dollars ($20.00) will be automatically made for each instance in which a check is returned unpaid for any reason by the Tenant's bank. However, the five-day late period is *NOT* a grace period, and the rent is due and payable on the first of each month.

SECURITY DEPOSIT

3. Tenant has deposited with the Landlord/Agent the sum of Nineteen hundred and no/100's Dollars ($ 1,900.00) which sum does not exceed two (2) months' rent, which is to be held as collateral security and applied on any rent or unpaid water bill that may remain due and owing at the expiration of this Lease, any extension thereof or holding over period, or applied to any damages to the premises caused by the Tenant, his family, guests, employees, tradespeople, or pets, or other damages and expenses suffered by Landlord as a result of a breach of any covenant or provision of this Lease. Tenant may not utilize the security deposit as rent and he shall not apply the same as the last month's rent. In the event that any part of the said security deposit shall have been utilized by the Landlord/Agent in accordance with the terms hereof or applicable law, the Tenant shall, upon delivery of notice of said utilization, immediately deposit with the Landlord/Agent the amount so applied by the Landlord/Agent so that the Landlord/Agent shall have the full deposit on hand at all times during the term of this Lease and any renewal thereof or holding over. The Landlord/Agent acknowledges receipt of the aforesaid deposit which shall be deposited by it in an escrow account in a banking or savings system within the State of Maryland and said account shall be devoted exclusively to security deposits; said deposits shall be made within thirty (30) days after receipt of said funds. The Landlord/Agent shall provide the Tenant, within thirty (30) days after the end of the tenancy by first class mail directed to the last known address of the Tenant, a written list of any damages to the premises together with a statement of costs actually incurred. Within forty-five (45) days after the end of the tenancy, the Landlord/Agent shall return the deposit to the Tenant together with simple interest which shall be accrued in the amount of four percent (4%) per annum less any damages rightfully withheld. Interest shall accrue at six (6) month intervals from the day Tenant deposits said collateral security with Landlord/Agent, provided the said security deposit is Fifty Dollars ($50.00) or more. Tenancy (Tenant's right to occupy the premises, and Tenant's obligations under this Lease) shall not end merely because Tenant ceases to occupy the premises. Notices shall be forwarded to Tenant based upon termination of tenancy, not termination of actual occupancy, though the two may coincide. Repairs required may be so substantial or of such a nature that work will not be completed within the thirty (30) day period following the termination of the tenancy, in which case Tenant shall be notified of projected or estimated costs by the itemized list of damages, to be followed by a statement to Tenant of costs actually spent by Landlord, as soon as Landlord is apprised of such information. In the event of a sale of the property upon which the premises is situated or the transfer or assignment by the Landlord/Agent of this Lease, the Landlord/Agent shall have the right to transfer the security deposit to the transferee and Landlord/Agent shall be considered released from all liability for the return of the security deposit and the Tenant shall look solely to the new Landlord/Agent for the return of his security deposit. It is agreed that the foregoing shall apply to every transfer or assignment made of the security deposit to a new Landlord/Agent. In the event of any rightful or permitted assignment of this Lease by the Tenant to any assignee or sublessee, the security deposit shall be deemed to be held by the Landlord/Agent as a deposit made by the assignee or sublessee and the Landlord/Agent shall have no further liability with respect to return to such security deposit to the assignor.

USES/ AUTHORIZED OCCUPANT

4. The premises will be used solely for residential purposes and be occupied by no more than ~~Five (5)~~ Five (5) persons, including children. The following persons and no others, except afterborn children, are authorized by Landlord to reside within the demised premises.

Tenant will not use the premises for any disorderly or unlawful purposes or in any manner offensive to others and will comply with all applicable Federal, State, County and local laws and ordinances.

POSSESSION

5. If on the date of this Lease another person is occupying the premises and Landlord is unable to deliver possession on or before the commencement of the term of this Lease, Tenant's right of possession hereunder shall be postponed until said premises are vacated by such other person, and the rent due hereunder shall be abated at the rate of one-thirtieth (1/30) of a monthly installment for each day that possession is postponed.

TAX INCREASE

6. The monthly rental of the premises is in part based on the current real estate tax rate and assessed value of the leased premises. In the event the tax rate and/or assessed value is increased on the land or improvements of which the leased premises is a part, the monthly rental as hereinabove provided will be increased after the first year's lease term is completed, in an amount equal to one-twelfth (1/12) of the increased taxes. The annual increase in taxes shall be calculated as the difference between the most recent tax bill prior to the date of execution of this Lease and each subsequent tax bill following the date of execution of this Lease. All adjustments to rent made pursuant to this paragraph shall take effect on July 1 of each year and shall be in effect for the twelve (12) succeeding months and shall be payable monthly.

INSURANCE

7. Tenant will do nothing and permit nothing to be done on or about the premises which will contravene any fire insurance policy covering the same. If Tenant's use or occupancy of the premises increases the premium on any fire insurance policy, Tenant shall pay such increase. It shall be the responsibility of the Tenant to obtain an insurance policy which provides public liability coverage and also provides for the protection of Tenant's personal property.

SMOKE DETECTORS

8. If any applicable law of any governmental body requires the installation of Smoke Detectors at the time of occupancy of the leased premises by Tenant, Landlord/Agent certifies to Tenant that said Smoke Detectors have been installed and are in proper working condition in accordance with said law prior to Tenant's occupancy. It shall be the responsibility of Tenant to check Smoke Detectors periodically during the tenancy and replace batteries as necessary to keep the Smoke Detectors in proper working condition and to report any malfunctions in said Smoke Detectors to Landlord/Agent in writing. Landlord/Agent assumes no responsibility or liability for any non-reported malfunctions to or misuse of Smoke Detectors by the Tenant which results in injury or damage to persons or to the leased premises.

ALTERATIONS

9. Tenant, without the prior written permission of the Landlord/Agent, will not remodel or make any structural changes, alterations or additions to the premises; will not paper, paint or decorate; will not install, attach, remove or exchange appliances or equipment, such as air conditioning, heating, refrigerator or cooking units, radio or television antennae, subscription or pay television devices; will not drive nails or other devices into the walls or woodwork (a reasonable number of picture hangers excepted); and will not change the existing locks of the premises or install additional locks without written consent of the Landlord/Agent.

MAINTENANCE

10. The washer, dryer, venetian blinds, shades, window air conditioning units, and any other portable equipment, if now or hereafter installed in the premises, are for the Tenant's use and convenience and are not warranted by the Landlord. Tenant agrees to maintain said appliances at Tenant's own expense and return them in good working condition. However, if the cost to repair each item shall exceed the dollar amount set forth in paragraph 32 hereof, then Tenant shall so advise Landlord or his Agent of the total cost of repair. Landlord shall then have the sole right to elect to add sufficient additional money to said repair costs due from Tenant in order to replace the defective item. Landlord may, however, require the repair by Tenant rather than the replacement of the item. All parties agree that they will timely give notice and take action to comply with this paragraph.

Tenant shall keep grass, shrubbery and trees cut, trimmed and maintained, promptly remove ice and snow from all walks, steps and drives, and shall generally maintain grounds in good condition, as needed. Tenant will keep premises including gutters and grounds free of leaves and debris. Tenant shall furnish his own electric light bulbs and fuses and at his own expense replace faucet washers as needed. Tenant shall keep in a state of good repair, maintenance and cleanliness all parts of the premises, including equipment therein, and shall promptly report any defect to the Landlord/Agent.

Tenant is responsible for proper lubrication of motor and fan, replacement of furnace filters and shall have oil and gas furnace and heaters, if any, regularly serviced by competent mechanics to prevent avoidable damage. If house is equipped with oil burner, Tenant agrees to purchase a burner service contract from some reputable company providing for cleaning furnace and burner which does not contravene any existing service contract.

All garbage and trash must be placed in suitable covered containers.

Tenant will be held responsible for any damage to the premises caused by any negligence on the part of the Tenant.

Tenant shall be responsible for such items as caulking around tubs and in showers, damage caused by bursting pipes from failure to turn off water in cold weather, stoppage of water closets and drains, etc.

Tenant shall not refinish or shellac the wood floors and shall keep them waxed with pastewax.

Any repairs made necessary due to negligent acts of commission or omission of the Tenant, his family, guests, employees, or pets shall be paid by the Tenant, but Tenant shall not order repairs on or about the premises without prior approval from the Landlord/Agent.

It is further agreed and understood that in the event the items described as Tenant responsibilities in this Lease are not maintained by the Tenant, the Landlord/Agent, after giving the Tenant five (5) days notice to correct, shall have the right to make necessary corrections, repairs or yard work and charge the Tenant for these repairs, corrections or work.

The Landlord can consider this failure of the Tenant to maintain the property in good order and repair a breach of Lease and may elect to terminate this Lease.

MISCELLANEOUS

11. a. The conditions and agreements contained herein are binding on, and are legally enforceable by the parties hereto, their heirs, personal representatives, executors, administrators, successors and assigns, respectively and no waiver of any breach of any condition or agreement contained herein shall be construed to be a waiver of the condition or agreement or of any subsequent breach thereof or of this Lease.

b. Tenant acknowledges that the statements and representations made in the signed application for said premises are true; that said statements have induced Landlord/Agent to enter into this Lease; that they are deemed a part of this Lease; and that the falsity of any of them shall constitute a breach hereof and entitle the Landlord/Agent to the same relief as a breach of any other covenant or condition contained herein.

c. This Lease contains the final and entire agreement between the parties hereto, and neither they nor their agents shall be bound by any terms, conditions, statements, warranties, or representations, oral or written, not herein contained. This Lease Agreement has been executed in duplicate and the Tenant acknowledges that a copy thereof was delivered to him at the time the Lease was fully executed.

SURRENDER

12. a. Tenant will, upon termination of this Lease, surrender the premises and all fixtures and equipment of Landlord therein in good, clean and operating condition, ordinary wear and tear excepted. Tenant shall at time of vacating the premises, clean said premises and equipment, including stove and refrigerator and remove all trash from the premises. If such cleaning and removal of trash is not accomplished by the Tenant, or if the premises and/or equipment are not left in good, clean and operating condition, then any action deemed necessary by the Landlord/Agent to accomplish same shall be taken by the Landlord/Agent at the Tenant's expense. Upon vacating the premises, Tenant shall deliver all keys to the Landlord/Agent within twenty-four (24) hours after vacating. Failure to comply will be cause to charge Tenant for changing locks.

b. Tenant has the right to be present at the time of inspection to determine if any damage has been done to the premises if Tenant notifies Landlord by certified mail fifteen (15) days prior to Tenant's date of moving of Tenant's intention to move, date of moving and new address. Upon receipt of notice, Landlord/Agent shall notify Tenant by certified mail of the time and date when the premises are to be inspected. The inspection date shall occur within five (5) days before or five (5) days after the date of moving as designated in Tenant's notice.

INSPECTION

13. Landlord/Agent may enter the premises during reasonable hours by appointment to examine the same, to make necessary repairs and to protect any property from damage. During the last sixty (60) days of the term of this Lease or any extension thereof, Landlord/Agent may enter the premises to exhibit the same to other persons and to place a "for rent" or "for sale" sign thereon.

DESTRUCTION

14. If the premises are rendered totally unfit for occupancy by fire, act of God, act of rioters or public enemies, or accident, the term of this Lease shall immediately cease upon the payment of rent apportioned to the day of such happening. If, however, the premises are only partially destroyed or damaged and Landlord decides to repair the same, such repairs shall be made by Landlord without unreasonable delay, and this Lease shall remain in full force and effect without any abatement of rent.

TERMINATION—HOLD OVER

15. Either Landlord/Agent or Tenant may terminate this Lease at the expiration of said Lease or any extension thereof by giving the other thirty (30) days' written notice prior to the rent due date. If Tenant shall hold over after the expiration of the term of this Lease, he shall, in the absence of any written agreement to the contrary, be a Tenant from month to month at the monthly rate in effect during the last month of the expiring term. All other terms and provisions of this Lease shall remain in full force and effect.

CREDIT CLAUSE

16. The Tenant has authorized the Agent to order and obtain a Consumer Report (Credit Report) from a Consumer Reporting Agency to be used in connection with the execution of this Lease. The Tenant hereby also authorizes the Agent to disclose to the Landlord or any other party directly involved the credit information provided to the Agent by such Consumer Reporting Agency or by the Tenant.

HOLD HARMLESS

17. Landlord/Agent will be held free and harmless by Tenant from any and all loss, claim or damage by reason of any accident, injury, or damage to any person or property occurring anywhere on or about the leased premises which is within the exclusive control of the Tenant.

DEFAULT

18. In the event of any default hereunder or if the Landlord/Agent shall at any time deem the tenancy of the Tenant undesirable by reason of objectionable or improper conduct on the part of the Tenant, his family, servants, guests, invitees, or by causing annoyance to neighbors or should the Tenant occupy the subject premises in violation of any rule, regulation or ordinance issued or promulgated by the Landlord/Agent or any governmental rental authority, then and in any of said events the Landlord/Agent shall have the right to terminate this Lease by giving the Tenant personally or by leaving at the leased premises a thirty (30) day written notice to quit and vacate the premises containing in said notice the basis for the termination, and this Lease shall terminate upon the expiration of thirty (30) days notice from the delivery of such notice. The Landlord/Agent at the expiration of said thirty (30) day notice or any shorter period conferred under or by operation of law, shall thereupon be entitled to immediate possession of said premises and may avail himself of any remedy provided by law for the restitution of possession and the recovery of delinquent rent. In the event that the Landlord/Agent shall find it necessary to expend any monies in legally enforcing any provisions of this Lease, Tenant agrees to be liable for such expenditures as allowed by law, including reasonable attorney's fees and court costs. The Tenant agrees that any default of any provision of this Lease shall constitute a substantial breach of this Lease.

WAIVER CLAUSE

19. Any waiver of a default hereunder shall not be deemed a waiver of this agreement or of any subsequent default. Acquiescence in a default shall not operate as a waiver of such default, even though such acquiescence continues for an extended period of time.

VEHICLE PARKING

20. No automobile, truck, motorcycle, trailer or other such vehicle shall be parked on the property without current license plates and said vehicles must be in operating condition. Licensed vehicles may be parked only in garages, driveways, if provided, or on the street.

ABANDONED PROPERTY

21. Any property which is left on the premises for more than seven (7) days after termination of the tenancy shall be considered to be abandoned by the Tenant or other owner and shall, at Landlord/Agent's option, become Landlord's property and Landlord may dispose of it without liability to Tenant, or owner of property left with Tenant's former dwelling unit or on the premises, all at the expense of the Tenant.

PARAGRAPH HEADINGS

22. The paragraph headings appearing in this Lease have been inserted for the purpose of convenience and ready reference only. They do not purport to and shall not be deemed to define, limit or extend the scope or intent of the paragraphs to which they appertain.

JOINT AND SEVERAL LIABILITY

23. Each Tenant joining herein shall be jointly and severally responsible to Landlord for full performance under each and every covenant and condition of this Lease Agreement and for compliance with applicable law.

ACCEPTANCE OF PROPERTY

24. The Tenant acknowledges that he has examined the leased premises and his acceptance of this Lease is conclusive evidence that said premises are in good and satisfactory order and repair unless otherwise specified herein; the Tenant agrees that no representations or warranties as to the condition of the premises have been made; and that no other agreement has been made to redecorate, repair or improve the premises unless hereinafter set forth specifically in writing. The Landlord will deliver the leased premises and all common areas in a clean, safe and sanitary condition, free of rodents and vermin, in a habitable condition, and in complete compliance with all applicable laws. Upon written request from Tenant, Landlord/Agent shall promptly provide Tenant with a written list of all damages. Said request must be made within fifteen (15) days of the Tenant's occupancy. Tenant agrees to provide

UBLET/ SSIGNMENT

25. Tenant shall not assign this Lease or sublet the premises or any portion thereof, or transfer possession or occupancy thereof to any other person or persons without the prior written consent of the Landlord/Agent, which consent shall not be unreasonably withheld, provided that the prospective assignee or subtenant satisfies established standards set forth by Landlord for all prospective tenants including, but not limited to, a credit check, rental and employment references and Tenant's payment of $ 200.00 service charge defraying Landlord's expenses incidental to processing the application for assignment or subtenancy. In the case of subletting, Tenant may be held secondarily liable for any breach of this Lease by subtenant.

.TTORNEYS EES

26. Pursuant to paragraph "Default", Tenant agrees to pay as additional rent, an attorney's fee of $ 150.00 for each and every suit filed by Landlord/Agent or Owner in the District Court of Maryland for a Complaint in Summary Ejectment or for a Tenant Holding-Over action. In all other actions or appeals filed by or defended by Landlord/Agent or Owner in any Court, Tenant agrees to pay as additional rent a reasonable attorney's fee as provided in paragraph "Default".

(Initial) GVV JVM _____ _____

IOTICES

27. Any written notice regarding any of the provisions of this Lease shall be given by both tenants on behalf of all other Tenants to Landlord/Agent, and any written notice regarding any of the provisions of this Lease may be given by Landlord/Agent to any one Tenant. All Tenants agree that such notices given or received shall affect and apply, with equal force, to all Tenants, authorized occupants and, if applicable, co-signers and subtenants.

.GENCY

28. The Owner recognizes N/A as the agent negotiating this Lease and agrees to pay a leasing fee for services rendered amounting to $_____ and the Owner hereby authorizes the Agent to deduct the said fee from the proceeds of rentals received by the Agent.

The Owner acknowledges N/A as his Agent in respect to this Lease and as the procuring cause thereof. In the event of the sale of this property to the Tenant during his occupancy, or within sixty (60) days after termination of this Lease, or every extension thereof, the Agent shall be recognized as the procuring cause of the sale and shall be paid a brokerage fee of _____% of the sales price as compensation for his services. Sale shall include sale, exchange, trade, syndication, or any similar transaction involving a transfer of ownership.

IANAGEMENT

29. The Managing Agent for these premises shall be N/A and the Agent shall receive a fee for the management of this property as agreed upon in a separate Management Agreement between the Owner and Agent.

TILITIES

30. Tenant shall pay all gas, electric, water, telephone, sewer use, refuse collection, fuel charges and any other utilities for the premises as and when the same shall become due, and make all required deposits therefor. The Tenant agrees to furnish a receipted water bill for the above premises to Landlord/Agent at termination of the Lease, extension or renewals thereof. In the event that refuse collection for the property is billed to the Landlord/Agent by the applicable jurisdiction in the Real Estate Tax bill, then Tenant shall pay for the refuse charge reflected in said Tax bill and any subsequent increases during the term of this lease. Payment of same shall be made when demanded by Landlord/Agent. The present (annual)(monthly) refuse collection charge is $_____, which Tenant shall pay on a _____ basis.

ETS

31. The Tenant shall not be allowed to keep pets on the premises except with the written permission of the Landlord/Agent. Tenants who have pets agree to pay the cost of having the demised premises defleaed and deticked by a professional exterminator, and if carpeted, the carpeting shampooed by a professional cleaner, at the termination of occupancy. Tenant further agrees to pay for any and all damages caused by pets to the premises. Tenant is authorized to have pets NO X YES _____ # ALLOWED None

.DDITIONAL ROVISIONS

32. Further Provisions and Additions Hereto:

~~Landlord pay for no repairs except for that of the roof and furnace.~~

See addendum

GVV JVM

Paragraph 10 Insert $ N/A

N WITNESS WHEREOF, the parties hereto have caused these presents to be duly executed the day and year first above written.

Landlord: Guss William Varfis — Tenant: John V. Meill

Landlord/Agent: _____ — Tenant: _____

Name and Address of Agent: _____ — Tenant: _____

_____

_____ — Tenant: _____

Guss William Varfis 445-2341 — _____

Phone — Phone

March 16, 1985

ADDENDUM

(1) To lessee will pay the first $100 of repairs. Beyond the $100 cost, the lessor must have actual knowledge of the defects, and will then make all pertinent decisions concerning the repairs, which will be at his expense.

(2) It is agreed that all licenses, if required, shall be at the expense of and accomplished by the lessees. In the event the Montgomery County government or any of its instrumentalities direct that the premises cannot be used as a group home or shall require special zoning or licenses that would require renovation of the property, then at the sole option of the lessees, after 30 days written notice, may vacate premises and lessor agrees to make all final adjustments as of the date of vacating.

March 16, 1989

John V. O'Neill

March 16-1989

Jesus W. Vargas